

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Murray, Suzanne  
**Sent:** Mon 6/5/2017 4:35:34 PM  
**Subject:** Introduction from Kevin Igli and request for a meeting on Renewable Fuel Standard issue for small gasoline retailers  
FINAL SRC COMMENTS REQUEST TO CHANGE THE POINT OF OBLIGATION.pdf  
FINAL NOI SRC (2).pdf

Mr. Jackson:

I hope that this e-mail finds you well. Kevin Igli, a long-time friend and client, gave me your name and suggested that I reach out to you on an issue that has national implications.

I represent the Small Retailers Coalition, a nonprofit, national trade association with over 200 members across the United States. We represent the interests of thousands of small, independent petroleum retailers and convenience stores in combating the uneven playing field created by the Renewable Fuel Standard (RFS). To level the playing field, we are asking EPA to shift the obligation for compliance under the RFS to the rack seller or blender. The SRC was formed exclusively to help our members advocate this position to EPA, the White House, and other governmental bodies.

[www.smallretailerscoalition.com](http://www.smallretailerscoalition.com)

Small gasoline stations and convenience stores supply approximately 70% of the fuel sold to customers in this Country. Of the roughly 140,000 convenience stores that sold fuels in 2016, less than 1% (316 stores total) are owned by one of the five major oil companies.

While the major oil companies are withdrawing from retail operations, their brands remain. In fact, roughly half of retail outlets sell fuel under the brand of one of the 15 largest refiner-suppliers. Virtually all of these branded locations are operated by independent entrepreneurs who have signed a supply contract with a particular refiner/distributor to sell a specific brand of fuel, but these retailers do not share in the profit/loss of their suppliers.

<http://www.nacsonline.com/YourBusiness/FuelsCenter/Operations/Articles/Pages/Who-Sells-Americas-Fuel.aspx>

I raise this so that you know, although individually our members are small businesses, in aggregate, this sector is critical to the nation's fuel distribution system and is being shut

down by an unintended consequence of the Renewable Fuel Standard's current point of obligation. Also, although we are aligned on many issues with our national trade organizations like NACS, SIGMA and NATSO, on this issue we are diametrically opposed – quite simply because large retailers that can blend are using the RIN as a multi-billion dollar subsidy to shutter small retailers. (It is predicted that the number of small retail gas stations will drop from 140,000 to 115,000 over the next 12 months because of the extra access to cash the RIN gives large retailers.)

As our Chairman, Bill Douglass, the founder and Chairman of Douglass Distributing says, "Don't take my word for it, take theirs." Included as an attachment to this email is one set of our comments to EPA in which we excerpted just a few of the statements made by large retailers in their K filings to the SEC. Like this statement from Couche-Tard CFO Claude Tessier, "We got generally broader access to RINs in the U.S. than most of our competition. So as RINs increase in value we think that widens our competitive advantage and then finally we focus on the Categories. So we think we were widening what we believe it's a key competitive and sustainable advantage in the fuel space."

Moreover, although EPA has recognized historically that mandated renewable fuel volumes cannot be met because of constraints on the retail sector, EPA has never met its statutory obligations to review the impact of the RFS on small retailers. As such, we sent a Notice of Intent to Sue ("NOI") to EPA on this issue shortly after the transition, and, although we have been working with your career staff on the issue, we have not reached out to Administrator's Office until now. I have attached the NOI for your convenience.

Kevin suggested that you would be the best contact for this issue to ask for a brief meeting to let you know the impact the current point of obligation is having on small retailers across the Country and to tee up the action that we may file within the next 60 days. We are also meeting with OMB regarding the same issue for the 2018 RVO.

I know that you are incredibly busy, but we will be in DC June 13 and 14 and would like to see if we can set up a meeting with the right people from the Administrator's team to discuss this issue. We will not bring an entourage, but would like to have the opportunity to raise this directly with the Administrator's Office before going forward.

Thank you for your consideration, and hope to meet you in person in the near future.

Warm regards,

Suzanne Murray

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